

Report
on
Roundtable Interaction

LOCAL GOVERNANCE:

EMPIRICAL LESSONS TOWARDS DESIGNING ENABLING LOCAL GOVERNANCE STRUCTURE IN NEW NEPAL

NOVEMBER 4, 2010

Organized by

ForestAction Nepal

and

The Asia Foundation

1 INTRODUCTION

A round-table program on *Local governance: Empirical lessons towards designing enabling local governance structure in New Nepal* was organized jointly by ForestAction Nepal and The Asia Foundation on Nov 4, 2010 at Hotel Summit, Kathmandu.

1.1 Key objectives

The main objectives of the Roundtable was to enable facilitate debate on the structure of Local Governance in the context of greater emphasis on federal structure in the political debate in Nepal.

The following were the questions around which the presentations and discussions of the Roundtable focused on:

1. What are internationally accepted institutional mechanisms and governing frameworks for crafting local governance (so as to enable citizens and local communities to exercise political sovereignty, at individual and collective levels?)
2. Why is local governance agenda not getting deserving attention in the current political transition? (Particularly how the discourses of federalism and the centralising tendencies of all political movements have weakened local governance?)
3. What are local initiatives (good practices) and institutions to advance local democracy in Nepal? What is the current state of affairs of local governance (eye opening cases of failures and successes)?
4. What are the most pressing local governance design issues, and possible options, in the current constitution making process?

1.2 Program

The following was the programme of the Roundtable—it involved two presentations, followed by moderated discussions. There were a total of 20 participants, representing local governance stakeholders, activists and researchers.

Theme	Moderator/Presentation
Crafting local governance: international experiences and insights on strengthening local democracy	Asha Ghosh, The Asia Foundation
Challenges and opportunities of institutionalising local governance in New Nepal	Dr. Damodar Adhikari
Tea break	
Round table discussion	Moderation: Dr Hemant Ojha
Closing	

2 KEY THEMES OF THE ROUNDTABLE DISCUSSION

The round-table was organized to deliberate on the following key questions:

2.1 Broad frameworks for local governance –international and national

- Diverse impulses for local governance—distinctive trajectory over time and across countries
- Ideological grounds
- Service delivery
- Reform objectives
- Outcomes of decentralization have been mixed—not a silver bullet in itself
- Same country—different frameworks
- Same law and structure—multiple practices
- Understanding decentralization in new context—especially as power has shifted to local level but resources have been centralized to Kathmandu. What are our contradictions in our own practices?
- Frameworks of federalism: there is possibility of the following three phase of adopting federal system.
 - Cooperative: 10-15 years
 - Mixed: resource distribution mechanism, sharing
 - Competitive:
- Principles are different: subsidiarity, residuality, autonomy

Main issues

- Accountability
- Participation
- Governing as governance
- representation

2.2 Why is local governance agenda not getting attention in the current political transition? (cf. federalism and the centralising tendencies of political movements)

- Political parties have centralizing attitudes—via their party power structure and cadre-based organizational base
- Tendency to bring power to one's own level, and hesitation to filter it down
- Emergence of regional elites supports 'state' agenda
- Long tradition of centralized system
- Weak lobbying of 'local' actors
- Weak conceptual understanding over the design

2.3 What are local initiatives (good practices) and institutions to advance local democracy in Nepal? What is the current state of affairs of local governance (eye opening cases of failures and successes)?

- Nepal has been successful in forest conservation, high child survival rates and reduced maternity mortality rate just because of decentralization.
- These experiences pinpoint to three governance aspects:
 - all the stakeholders *participate* in the process,
 - ensuring *transparent* management systems and
 - development of *accountable* leaders.
- In case of VDCs, we need to think of some kind of arrangements that transcends existing model of elected representatives to allow legitimate space for all the related stakeholders. VDC can be a valuable institution to coordinate and backstop user groups (CBOs).

2.4 local governance design options

- There conflicting roles between municipality and other agencies like construction and maintenance of sewage should be done by municipality but resources go to KUKL. So, how does

new structure provide space with defined roles and resources in new constitution? How to convince and gather local political commitments on this.

- We need to heed to explore possibility of all kinds of devolution:
 - User group based devolution
 - Region based devolution
 - District based devolution
 - VDC based devolution
 - Sector based devolution
- There is general agreement about provinces and VDCs but still there is question that how to address the gap between province and VDCs. So there is still relevance of District level structures, though this has not been envisioned in the drafts of new constitutions. District can bridge between village and states.
- There is huge issue of inclusion in local governance structures. We can take example of CFUGs where power is accumulated to elite members and thus Dalit and poor are excluded if not marginalized.
- Main concern is on how we can harness positive interdependence between diverse groups and identities. Worry remains whether we are creating communal state institutions against secularism (ethnicity, religion, language). If we move out from formal institutions to informal ones (caste, religious, communal) it would ultimately weaken the foundation of good governance (transparency, accountability, responsiveness).
- From the experience of India and Nepal we have seen that Sectoral departments (institutions) have not owned holistic plans developed by local governments (VDC, DDC or municipalities) since they are compartmentalised and upwardly accountable.
- Where is the place for Marginalized groups? Free prior and informed consent (FPIC) is more enforcing for community, but representative's voices do not take account of FPIC, need to merge these two- representative should get FPIC.

Suggestion

- Possible local structure: village-constituency-state/province-centre.

3 THE NATURE OF DEBATE & DILEMMAS

- Basic principles of democracy are being curtailed in the name of democracy. No serious reflections on federalism-local government relationship

- The agenda of local government is frequently labelled an anti-federalist move
- Nepal's geography does not allow us to the self-contented territory that is in the debate of federalism. Terai and hills are inseparable. So what we can do is devolution at different levels. To promote devolution, we can develop user groups and advocacy groups to put pressure government for the right moves.
- Devolution is for better transparent, accountable, but it might not accommodate the larger environmental issues, so some kind of higher level coordination and monitoring mechanism may require.
- There are ideological issues to be resolved in identifying a local governance model. Tension is surfaced around which model best fits in Nepalese context: liberal democracy (that we experienced), participatory democracy, deliberative democracy, local commune, or some kind of fusion between them. Once we resolve the ideological issue it will be easier to devise an appropriate local governance model.
- Recentralization in the name of federalism or value based deliberative democracy?

4 ACTIONABLE OPPORTUNITIES

4.1 Opportunities for research and understanding

- Greater understanding of local government and federalism—how they match
- Explore multiplicity of institutional forms and define interlinkages for local governance. Important to look into multiple frameworks of local governance as well (ethnic autonomies, for example)
- Resolve tensions of sectoral top-down hierarchy and local governments—reconciliation of provenance
- Encourage debate amongst multiple stakeholders around local governance agenda and facilitate forging consensus around the agenda through collaboration and networking
- Share good practices of local democracy in and outside Nepal- documented evidences to enrich and inform the current strategies
- Conceptual clarity is required-contested meaning and understanding of decentralisation and federalism (within vs outside Kathmandu, identity crisis, class crisis- the constitution should address this)

4.2 Opportunities for Political Engagements

- Form a local governance Caucus of Constituent Assembly members and civil society should engage it. ADDCN and NAVIN show commitment to encourage and facilitate dialogue.
- Interaction with State Restructuring Committee of CA as these two are deciding committee in the restructuring process
- Definition and delineation of special zones in provinces and associated risks, communalism and secularism.
- Costs sharing mechanisms between state and federal governments

4.3 Supporting further concrete steps

- Election at local governments to enable local governance in Nepal (a move would be through LG caucus)

5 DELIVERABLE

Along with this workshop synthesis report, a feature article has been published in Nepal weekly which captures the key issues discussed in the round table workshop (copies of Nepal Weekly is enclosed).

Annex 1: Roundtable participants

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